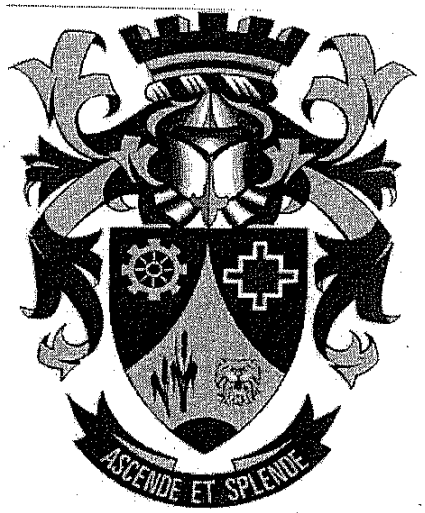
THEMBISILE

LOCAL MUNICIPALITY



FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30-Jun-07

THEMBISILE LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE

Councillors:

Clr VV Nkosi	Executive Mayor
Clr WS Msiza	Chairperson: Finance Portfolio
Clr N. Mahlangu	Chairperson: Local Economic Development Portfolio
Clr BN Mahlangu	Chairperson: Development Planning and Infrastructure Portfolio
Clr BN Sibanyoni	Chairperson: Community Services Portfolio
Clr LM Mboweni	Chairperson: Corporate Services Portfolio

GRADING OF MUNICIPALITY

Grade 3

AUDITORS

Office of the Auditor-General

BANKERS

First National Bank

REGISTERED OFFICE

24 Kwaggafontein C
Opposite Police Station
Kwaggafontein

Postal Address
Private Bag x4041
Empumalanga

Tele 013- 986 9100
Fax 013- 986 0995

MUNICIPAL MANAGER

W K Mahlangu

MANAGER FINANCE

JED Lynch

EXECUTIVE MAYOR

Clr VV Nkosi

SPEAKER

Clr PS Mahlangu

THEMBISILE LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE THEMBISILE COUNCIL

1	Clr M. Danisa
2	Clr GM Monama
3	Clr KM Matsheni
4	Clr KM Mtshweni
5	Clr TN Mahlangu
6	Clr LN Mahlangu
7	Clr TN Khumalo
8	Clr PK Madihlaba
9	Clr SZ Mnamateli
10	Clr W Mtshweni
11	Clr MS Ramphisa
12	Clr BA Nkwanyana
13	Clr NTG Kubheka
14	Clr MM Mahlangu
15	Clr LM Tshabangu
16	Clr MJ Mahlangu
17	Clr AM Mohoaduba
18	Clr LL Mahlaela
19	Clr LM Mboweni
20	Clr RM Moekwa
21	Clr SM Masombuka
22	Clr SA Ramalekana
23	Clr MM Sepogwana
24	Clr TM Monareng
25	Clr DJ Ntuli
26	Clr JL Mtsweni
27	Clr M Msiza
28	Clr MJ Mlambo
29	Clr PS Mahlangu
30	Clr MP Mokone
31	Clr N Mahlangu
32	Clr TL Mabena
33	Clr JJ Jiyane
34	Clr NE Hlophe
35	Clr BN Sibanyoni
36	Clr NE Makwakwa
37	Clr DD Masombuka
38	Clr J Ndala
39	Clr TJ Mtsweni
40	Clr JJ Tau
41	Clr JF Mashiya
42	Clr BN Mahlangu
43	Clr BJ Ntuli
44	Clr NE Phakathi
45	Clr WS Msiza
46	Clr MSV Masango
47	Clr VV Nkosi
48	Clr SEM Ndlovu
49	Clr MG Maluleka
50	Clr MJ Tshilwane
51	Clr S Nkosi
52	Clr TE Motanyane
53	Clr MW Mtshwene
54	Clr PP Kgophane
55	Clr BS Mnyakeni
56	Clr OE Mokwena
57	Clr D Ntuli
58	Clr MG Komane
59	Clr RQ Mtsweni
60	Clr RJ Skosana

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 4 to 23 were approved by the Municipal Manager

on 14 September 2007

MUNICIPAL MANAGER

MANAGER FINANCE

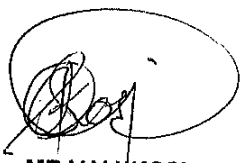
FOREWORD BY HIS WORSHIP THE EXECUTIVE MAYOR

The financial year ended 30 June 2007 can be seen, as a successful period for the Council as well as the community.

In order to adhere to the requirements of the integrated development planning process, required in terms of the Local Government Transitional Act, Second Amendment Act of 1996 (Act 97 of 1996). Consultants were appointed to compile the Integrated Development Plan which was reviewed and adopted by council. Such documents assisted the Council in identifying the needs of the community and budgeted accordingly.

The results of the 2006/07 financial period confirm another prosperous year as the year concluded with a nett surplus being achieved.

Finally, I wish to express my thanks to my fellow Councillors, the Executive Committee, Municipal Manager and his staff for their support, co-operation and hard work during the past financial year. It is with such loyalty and dedication that the New Year can be met with confidence.



MR V V NKOSI
EXECUTIVE MAYOR

THEMBISILE LOCAL MUNICIPALITY

CHIEF FINANCIAL OFFICER'S REPORT

Introduction

The 2006/2007 financial year was the fifth year for Thembisile Local Municipality, since the 2000 local elections.

1. Operational Results

Details of operating results per department classification and object of expenditure are included in appendices / annexure D and E. The applicable statistics are shown in appendix F.
The overall operating results for the year ended 30 June 2007 are as follows:

Income	Actual 2005/06	Actual 2006/07	Variance 2005/06 & & 2006/07	Budget 2006/2007	Variance Actual / Budget 2006/2007
	R	R	%	R	%
Opening surplus	14,303,851	26,276,347	183.70%		
Operating Income for the year	70,452,939	108,966,298	154.67%	164,103,344	150.60%
TOTAL	**84,756,790**	**135,242,645**		**164,103,344**	

Expenditure	Actual 2005/06	Actual 2006/07	Variance 2005/06 & & 2006/07	Budget 2006/2007	Variance Actual / Budget 2006/2007
	R	R	%	R	%
Operating expenditure for the year	58,733,122	82,431,800	140.35%	159,613,618	193.63%
Sundry transfers	(252,679)	(7,427,425)			
Closing accumulated surplus	26,276,347	60,238,269			
TOTAL	**84,756,790**	**135,242,645**		**159,613,618**	

The surplus is as a result of decreased operating expenditure compared to the budgeted expenditure.

1.1 Rates & General Services

	Actual 2005/06	Actual 2006/07	Variance 2005/06 & & 2006/07	Budget 2006/2007	Variance Actual / Budget 2006/2007
	R	R	%	R	%
Income	65,426,055	101,918,188	155.78%	134,458,344	75.80%
Expenditure	55,410,643	53,710,726	96.93%	109,205,572	49.18%
Surplus (Deficit)	10,015,412	48,207,462	481.33%	25,252,772	190.90%
Surplus (Deficit) as percentage of total income	15.31	47.30			

1.2 Economic Services

	Actual 2005/06	Actual 2006/07	Variance 2005/06 & & 2006/07	Budget 2006/2007	Variance Actual / Budget 2006/2007
	R	R	%	R	%
Income	1,658,724	2,099,906	126.60%	2,051,500	102.36%
Expenditure	2,465,848	9,095,146	368.84%	30,224,126	30.09%
Surplus (Deficit)	-807,124	-6,995,240	866.69%	-28,172,626	24.83%
Surplus (Deficit) as percentage of total income	-48.66	-333.12			

1.3 Trading Services

	Actual 2005/06	Actual 2006/07	Variance 2005/06 & & 2006/07	Budget 2006/2007	Variance Actual / Budget 2006/2007
	R	R	%	R	%
Income	5,026,883	7,048,110	140.21%	29,645,000	23.78%
Expenditure	3,322,478	28,721,074	864.45%	50,408,046	56.98%
Surplus (Deficit)	1,704,405	-21,672,964	-1271.59%	-20,763,046	104.38%
Surplus (Deficit) as percentage of total income	33.91	-307.50			

2. Capital Expenditure and Financing

The expenditure on fixed assets during the year amounted to R32 981 310

	Actual 2007 R	Budget 2007 R	Actual 2006 R
Community services	10,579,617	24,199,396	9,171,753
Subsidised services	-	51,000	6,835,648
Sewerage	6,511,859	18,864,803	-
Water	8,279,902	15,612,751	-
Refuse	7,609,932	8,750,323	1,911,111
	32,981,310	67,678,273	17,918,511

Resources used to finance the fixed assets were as follows :

	Actual 2007 R	Budget 2007 R	Actual 2006 R
Operating income	9,724,983	10,500,000	17,918,511
Grants and subsidies	23,256,328	57,178,273	-
	32,981,310	67,678,273	17,918,512

THEMBISILE LOCAL MUNICIPALITY

CHIEF FINANCIAL OFFICER'S REPORT

Refer to Appendix C for further details.

3. Capital Expenditure and Financing

On 30 June 2007 the Municipality had no Loan obligations

On 30 June 2007 investment amounted to R 15 317 168 and cash amounted to R 6 000.

4. Funds

On 30 June 2007 the Capital Development Fund amounted to R 2 464 602 (2004/05: - R 1 408 660).

On 30 June 200 the Housing Development Fund amounted to R 2 577 127 (2004/05:- R 2 053 632)

5. Acknowledgement

I thank the Acting Municipal Manager, Heads of Departments and staff for their support during the past financial year. A special word of thanks is directed to financial staff who spent sleepless nights in ensuring that these statements are produced.

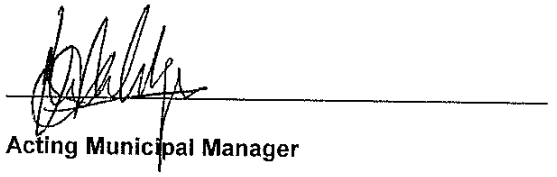
MANAGER FINANCE

THEMBISILE LOCAL MUNICIPALITY

CERTIFICATE OF REMUNERATION AND IN-KIND BENEFITS OF COUNCILLORS

I, the undersigned, am responsible for the preparation of these annual financial statements, which are set out on pages 7 to 24, in terms of Section 124(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits as disclosed in note 12 of these annual financial statements, are within the upper limits of the framework envisaged in Section 219 of the Constitution and the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.



Acting Municipal Manager

19/12/2007

Date

THEMBISILE LOCAL MUNICIPALITY

ACCOUNTING POLICY

1. BASIS OF PRESENTATION

1.1 These financial statements have been prepared so as to conform to standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for the Accountants of Local Government (1992) and the Report on the Standardisation of the Financial Statements of Local Governments (4th edition, as amended).

1.2 The financial statements are prepared on the historical cost basis, adjusted capital expenditure, as more fully detailed in Note 2 (two). The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual principle:

- Income is accrued when available to finance operations. Certain direct revenue is accrued when received.
- Expenditure is accrued in the year it is incurred.

2. FIXED ASSETS

2.1 **Fixed assets are stated:**

At historical cost, or at valuation (based on the market price at date of acquisition), where assets have been obtained by grant or donation.

Certain fixed assets donated by the Mpumalanga Provincial Governement and DWAF are reflected at a nominal value of R1 each. The values of these assets could not be determined. These assets are clearly identified in the asset register, while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of the estimated life as determined by the Treasurer.

2.2 **Depreciation**

The balance shown against the heading "*Loans redeemed and other capital receipts*" in the Notes to the balance sheet is tantamount to a provisions for depreciation, however, certain structural differences do exist. By way of these "*provisions*" assets are written down over their estimated life span. Apart from advances from various Council funds, assets may also be acquired through -

- appropriation from income, where the full cost of the asset forms an immediate and direct charge against operating income and therefore it is unnecessary to make any further provision for depreciation;
- grant or donation, where the amount that represents the value of such grant or donation is immediately credited to the "*Loans redeemed and other capital receipts*" account.

2.2 **Depreciation** *(Conitnued)*

Capital assets are financed from different sources, including external loans, operational revenue and internal advance payments. These loans and advances are repaid within the estimated life span of the assets, which are financed from such loans and advance payments. Interest at the rate that prevails at the time of granting the advance payment is debited to the relevant service .

3. FUNDS AND RESERVES

Capital Development Fund

The Capital Development Fund Ordinance, No 9 of 1978, requires a minimum contribution of 1,0% of the defined income of a Local Authority for the immediately preceding financial year,

Housing Development Fund

All proceeds received from the sale of Municipal owned land is directly accrued to the Housing Development Fund. This fund is utilised in the financing of new housing developments.

4. INVESTMENTS

Investments are reflected against lowest cost or market value if there is a continual decline in value. Investments are being done in accordance with the policy of the Council.

5. COMPARATIVE FIGURES

The 2006/2007 financial year figures as reflected on the financial statements had been compared to the 2004/2005 financial year figures.

THEMBISILE LOCAL MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2007

CAPITAL EMPLOYED	Notes	30/06/2007	30/06/2006
FUNDS AND RESERVES			
ACCUMMULATED FUNDS	1	2,464,602	1,408,660
RETAINED INCOME / (ACCUMMULATED DEFICIT)		60,238,269	26,276,347
		62,702,871	27,685,007
CONSUMER DEPOSITS		1,287,422	4,908,251
TRUST FUNDS	2	2,577,127	2,053,632
EMPLOYMENT OF CAPITAL		**66,567,421**	**34,646,890**
FIXED ASSETS	3	-	-
INVESTMENTS	4	15,779,064	14,516,305
NETT CURRENT ASSETS (LIABILITIES)		50,788,357	20,130,585
CURRENT ASSETS			
Cash and Bank		78,962,167	39,525,523
Debtors	17	37,531,617	26,623,444
	6	41,430,550	12,902,079
CURRENT LIABILITIES			
Creditors		28,173,810	19,394,937
Provisions	8	27,171,893	18,448,279
	7	1,001,917	946,659
		66,567,421	**34,646,890**

THEMBISILE LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/06 ACTUAL INCOME	2005/06 ACTUAL EXPENDITURE	2005/06 ACTUAL SURPLUS (DEFICIT)	SERVICE	2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 ACTUAL SURPLUS (DEFICIT)	2006/07 BUDGET SURPLUS (DEFICIT)
65,426,055	**55,410,643**	**10,015,412**	**RATES AND GENERA**	**101,918,188**	**53,710,726**	**48,207,462**	**25,252,772**
63,738,634	52,914,767	10,823,867	Community Services	99,755,343	44,475,753	55,279,590	53,939,131
28,698	30,029	(1,331)	Subsidised Services	62,939	139,826	(76,887)	(513,733)
1,658,724	2,465,848	(807,124)	Economical Services	2,099,906	9,095,146	(6,995,240)	(28,172,626)
5,026,883	**3,322,478**	**1,704,405**	**TRADING SERVICES**	**7,048,110**	**28,721,074**	**(21,672,964)**	**(20,763,046)**
-	2,801,943	**(2,801,943)**	Electricity	-	2,258,903	(2,258,903)	**(2,651,172)**
5,026,883	520,536	4,506,348	Water	7,048,110	26,462,172	(19,414,062)	(18,111,874)
70,452,939	**58,733,122**	**11,719,817**	**TOTAL**	**108,966,298**	**82,431,800**	**26,534,498**	**4,489,726**
		252,679	Prior year adjustment				
			Appropriation for the year (Refer to Note 13)			7,427,425	
		11,972,496	Nett Surplus / (Deficit) for the year				
						33,961,923	
		14,303,851	Unappropriated Surplus / (Deficit) at the beginning of the year			26,276,347	
		26,276,347	Unappropriated Surplus / (Deficit) at the end of the year			**60,238,269**	

THEMBISILE LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

		2006/07	2005/06
CASH RETAINED FROM OPERATIONAL ACTIVITIES			
Cash generated by operations	14	63,318,158	35,670,946
Investment income	12	5,330,702	1,550,836
(Increase) / decrease in operating capital	15	(19,875,787)	(398,799)
Less: External interest paid	12	48,773,073	36,822,983
Cash available from/(utilised in) operations		-	-
Cash Contributions		48,773,073	36,822,983
CASH UTILISED IN INVESTEMENT ACTIVITIES		-	-
Investment in fixed assets	C	(32,981,310)	(17,918,511)
NETT CASH FLOW		15,791,762	18,904,472
CASH EFFECTS OF FINANCING ACTIVITIES			
(Increase) / decrease in cash investments	16	(1,262,760)	3,851,463
(Decrease)/Increase in consumer deposits		(3,620,829)	4,897,639
(Increase) / decrease in cash	17	(10,908,174)	(27,653,574)
NETT CASH (GENERATED) / UTILISED		(15,791,762)	(18,904,472)

THEMBISILE LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS ON 30 JUNE 2007

	30/06/2007 R	30/06/2006 R
1 STATUTORY FUNDS		
Capital Development Fund	2,464,602	1,408,660
2 TRUST FUNDS		
Housing Development Fund	2,577,127	2,053,632
3 FIXED ASSETS		
Fixed assets at the beginning of the year	120,616,604	102,698,092
Fixed assets bought or received during the year	32,981,310	17,918,511
Less: Assets written off, transferred or sold during the year	-	-
Total Fixed Assets	153,597,914	120,616,604
Less: Loans redeemed and other capital income	(153,597,914)	(120,616,604)
Nett Fixed Assets	-	-
(Refer to annexure C for additional information)		
4 INVESTMENTS		
Short-term Call Deposits:		
- First National Bank	8,462,732	7,501,264
- Nedbank	650,427	650,427
- ABSA Bank	4,498,665	4,301,283
- Standard Bank	2,167,240	2,063,331
	15,779,064	14,516,305
Management valuation of investments	15,779,064	14,516,305
Profit or loss on investment transactions	NIL	NIL
Average rate of return on investments	6.00%	
Value of investments pledged as security	NIL	NIL
Amount of investments written-off during the year	NIL	NIL

Circular No. 8 of 1962 issued by the Provincial Legislator requires Local Authorities to invest funds, which are not required immediately with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at plenary rate to meet commitments.

5 INVENTORY		
Consumables and Materials	-	-

The Municipality does not carry any material consumables and related expenses are allocared directlly to the relevant expenditure accounts

THEMBISILE LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS ON 30 JUNE 2007

	30/06/2007 R	30/06/2006 R
6 DEBTORS		
Consumer debtors	34,946,051	20,906,250
Less: Provision for bad debts	(10,163,807)	(10,092,876)
Sundry Debtors	93,670	1,334,152
VAT	16,554,636	754,552
	41,430,550	**12,902,079**
7 PROVISIONS		
Leave Provision	825,538	825,538
Provision for Audit Fees	176,379	121,120
	1,001,917	**946,658**
8 CREDITORS		
Retention Creditors	2,937,408	932,998
Sundry creditors	404,885	1,778,827
Unspent Grants	16,990,782	12,441,972
VAT Levied - Not received	6,838,818	3,294,482
	27,171,893	**18,448,279**
9 PROPERTY RATES		
No property rates are charged	-	-
10 COUNCILLORS REMUNERATION		
Mayor's allowance	420,588	204,844
Speaker's allowance	352,204	146,855
Mayoral committee allowance	1,545,584	817,438
Councillor's allowance	6,861,835	3,789,888
Pension fund contribution	663,374	404,715
	9,843,585	**5,363,740**
11 AUDIT COSTS		
Audit fees	**224,326**	-
12 FINANCING TRANSACTIONS		
External interest		
- Interest earned	**5,330,702**	**1,550,836**
	5,330,702	**1,550,836**
13 APPROPRIATION		
Accummulated Surplus/(Deficit) at the beginning of the year	26,276,347	14,303,851
Operating gain (Deficit) for the year	26,534,498	11,719,817
Appropriation for the year - Prior year adjustments	7,427,425	252,679
Accummulated Surplus/(Deficit) at the end of the year	**60,238,269**	**26,276,347**

	30/06/2007 R	30/06/2006 R
14 CASH GENERATED BY OPERATIONS		
Operating gain (deficit) for the year	26,534,498	11,719,817
Amendments i.r.o. previous years operating transactions	7,427,425	252,679
Appropriations debited against income	10,750,443	25,062,527
- Capital development fund	704,529	363,563
- Other funds	250,000	511,682
- Bad Debts	70,931	6,268,770
- Fixed assets	9,724,983	17,918,512
Capital costs - External Funding	23,256,328	-
Investment income (operating)	(5,330,702)	(1,550,836)
Non-operating expenditure charged against		
- Accrued funds		
- Trust funds		
- Reserves		
- Provisions	680,167	186,760
	63,318,158	**35,670,946**
15 INCREASE / (DECREASE) IN OPERATING CAPITAL		
(Increase)/decrease in debtors	(28,599,402)	(14,934,964)
Increase (decrease) in creditors	8,723,615	14,536,165
	(19,875,788)	**(398,800)**
16 (INCREASE) / DECREASE IN CASH INVESTMENTS		
Investments made	-	-
Investments realised	(1,262,759)	3,851,463
	1,262,759	**(3,851,463)**
17 (INCREASE) / DECREASE OF CASH ON HAND		
Cash balance: Opening Balance	26,623,444	(1,030,130)
Less: Cash balance: Closing Balance	37,531,617	26,623,444
	(10,908,174)	**25,593,313**
18 CAPITAL OBLIGATIONS		
None		
19 CAPITAL DEVELOPMENT FUND		
Accrued fund	2,464,602	1,408,660
Less: External Investments	2,464,602	1,408,660
Outstanding Advances	-	-
(Refer to annexure B for further detail)		

	30/06/2007 R	30/06/2006 R
20 ADDITIONAL INFORMATION IN TERMS OF SECTIONS 124 AND 125 OF THE MFMA		
A Municipal Entities		
Under sole and shared control of the Municipality during 2006/2007	None	None
Under sole and shared control of the Municipality as at 30 June 2007	None	None
B Contributions to Organised Local Government		
None		
C Bank Accounts		
First National Bank: Cheque Account no 62026296427		
Balance at beginning of year	1,032,130	1,032,130
Balance at end of year	37,531,617	(1,032,130)
D Material Losses, Irregular, Fruitless, Wasteful or Unauthorised Expenditure		
An amount of R68 139.20 has been made in respect of security services at the Klopfontein Tribal Offices. The Municipality is not the rightfull owner of these premises, and this expense is therefore considdered a Fruitless and Wastefull expenditure. Security has been remmoved from these premises, as soon as this irregularity came to light.	-	68,139
E Criminal or Disciplinary Steps taken as a result of the above		
None		
F Material Losses Recovered or Written Off		
None		
G Any Contigent Liabilities as at the End of the Year		
None that management is aware of		
H None-compliance with the Municipal Finance Management Act, Act no 56 of 2003		
None that management is aware of		

THEMBISILE LOCAL MUNICIPALITY

APPENDIX A
(ACCRUED FUNDS, TRUST FUNDS AND PROVISIONS)

	BALANCE 30/6/2006	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS	OTHER INCOME	EXPENDITURE DURING THE YEAR	BALANCE 30/6/2007
ACCUMULATED FUNDS						
Capital Development Fund	1,408,660	704,529.00	351,413			2,464,602
	1,408,660	704,529.00	351,413	-	-	2,464,602
TRUST FUNDS						
Housing Development Fund	2,053,632		512,311	11,184		2,577,127
	2,053,632	-	512,311	11,184	-	2,577,127
PROVISIONS						
Provision for bad debts	10,092,876	70,931				10,163,807
Leave payments	825,538					825,538
Audit fees	121,120	250,000			194,741	176,379
	11,039,534	320,931	-	-	194,741	11,165,724

THEMBISILE LOCAL MUNICIPALITY

APPENDIX B
(EXTERNAL LOANS AND INTERNAL ADVANCES)

EXTERNAL LOANS	BALANCE 30/06/2006	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE 30/06/2007
The Municipality does not have any External Loans	-	-	-	-
	-	-	-	-

INTERNAL ADVANCES TO BORROWING SERVICES	BALANCE 30/06/2006	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE 30/06/2007
The Municipality does not have any Internal Loans and Advances	-	-	-	-
	-	-	-	-

THEMBISILE LOCAL MUNICIPALITY

APPENDIX C
(ANALYSIS OF FIXED ASSETS)

EXPENDITURE 2005/06	SERVICE	BUDGET 2006/07	BALANCE ON 30/06/2006	EXPENDITURE 2006/07	DURING YEAR WRITTEN OFF, TRANSFERRED OR DISPOSED	BALANCE ON 30/06/2007
17,918,511	**RATES AND GENERAL SERVICE**	51,865,522	**59,806,695**	**24,701,408**	-	**84,508,103**
9,171,753	**Community Services**	24,199,396	**38,394,158**	**10,579,617**	-	**48,973,775**
3,147,576	Council General	6,245,000	6,465,699	2,115,051	-	8,580,750
6,024,176	Public works	17,954,396	23,925,038	8,464,566	-	32,389,604
-	Street Lights	-	8,003,421	-	-	8,003,421
6,835,648	**Subsidised Services**	51,000	**19,501,426**	-	-	**19,501,426**
6,835,648	Municipal Buildings	51,000	19,501,426	-	-	19,501,426
1,911,111	**Economical Services**	**27,615,126**	**1,911,111**	**14,121,791**	-	**16,032,902**
-	Vacuum Tank	-	-	-	-	-
-	Sewerage	18,864,803	-	6,511,859		6,511,859
1,911,111	Refuse	8,750,323	1,911,111	7,609,932	-	9,521,043
-	**HOUSING SERVICES**	-	-	-	-	-
-	Housing Sub Economic	-		-	-	-
-	**TRADING SERVICES**	**15,812,751**	**60,809,909**	**8,279,902**	-	**69,089,811**
-	Electricity	-	-	-	-	-
-	Water	15,812,751	60,809,909	8,279,902	-	69,089,811
17,918,511	**TOTAL FIXED ASSETS**	**67,678,273**	**120,616,604**	**32,981,310**	-	**153,597,914**
17,918,511	**LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS**		**120,616,604**	**32,981,310**	-	**153,597,914**
-	Loans Redeemed			-	-	
-	Housing Loans Redeemed			-	-	
17,918,511	Contribution from Income		26,831,330	9,724,983	-	36,556,313
-	Contribution from donations & Grants		49,523,979	23,256,328	-	72,780,307
-	Contribution from Mpumalanga Provincial Government		14,792,939	-	-	14,792,939
-	Contribution from Community Based Public Works Programme		29,468,355	-	-	29,468,355
-	**NETT FIXED ASSETS**		-	-	-	-

THEMBISILE LOCAL MUNICIPALITY

APPENDIX D

(ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007)

ACTUAL 2005/2006		ACTUAL 2006/2007	BUDGET 2006/2007
	REVENUE		
59,954,695	Grants and Subsidies	72,169,068.97	129,199,594
8,374,432	Revenue from Tariffs, Service Levies etc.	11,457,713.57	33,945,000
1,550,836	Interest Earned	5,330,701.90	725,000
533,137	Sundry Income	19,816,386.16	188,500
39,838	Rentals	192,427.22	45,250
70,452,939	**TOTAL INCOME**	**108,966,298**	**164,103,344**
	EXPENDITURE		
16,532,964	Salaries and Allowances	26,659,741.19	35,158,850
15,976,972	General Expenditure	44,189,080.16	54,213,386
1,160,659	Repairs and Maintenance	1,082,536.21	2,492,179
17,918,512	Contribution to Fixed Assets	9,724,982.63	67,678,273
7,144,015	Contribution to provisions	775,460.00	70,931
58,733,122	**TOTAL EXPENDITURE**	**82,431,800**	**159,613,618**
11,719,817	**NETT SURPLUS /(DEFICIT)**	**26,534,498**	**4,489,726**

THEMBISILE LOCAL MUNICIPALITY

APPENDIX E
(DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007)

2005/06 ACTUAL INCOME	2005/06 ACTUAL EXPENDITURE	2005/06 ACTUAL SURPLUS (DEFICIT)	SERVICE	2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 ACTUAL SURPLUS (DEFICIT)	2006/07 BUDGET SURPLUS (DEFICIT)
65,426,055	**55,410,643**	**10,015,412**	**RATES AND GENERAL SERVICES**	**101,918,188**	**53,710,726**	**48,207,462**	**25,252,772**
63,738,634	**52,914,767**	**10,823,867**	**Community Services**	**99,755,343**	**44,475,753**	**55,279,590**	**53,939,131**
95,699	32,701,913	(32,606,214)	Council General	-	22,511,393	(22,511,393)	(31,643,567)
-	939,075	(939,075)	Muncipal Manager	-	1,337,354	(1,337,354)	(1,642,500)
831,366	11,282,232	(10,450,866)	Public Works	1,364	9,570,982	(9,569,618)	(31,904,521)
62,749,127	2,465,500	60,283,627	Treasury	99,753,979	4,512,113	95,241,866	126,711,809
62,442	5,526,045	(5,463,604)	Traffic	-	6,543,911	(6,543,911)	(7,582,090)
28,698	**30,029**	**(1,331)**	**Subsidised Services**	**62,939**	**139,826**	**(76,887)**	**(513,733)**
28,698	30,029	(1,331)	Municipal Buildings	62,939	139,826	(76,887)	(513,733)
1,658,724	**2,465,848**	**(807,124)**	**Economical Services**	**2,099,906**	**9,095,146**	**(6,995,240)**	**(28,172,626)**
-	-	-	Sewer	-	-	-	(18,864,803)
1,658,724	2,465,848	(807,124)	Cleansing	2,099,906	9,095,146	(6,995,240)	(9,307,823)
5,026,883	**3,322,478**	**1,704,405**	**TRADING SERVICES**	**7,048,110**	**28,721,074**	**(21,672,964)**	**(20,763,046)**
-	2,801,943	(2,801,943)	Electricity	-	2,258,903	(2,258,903)	(2,651,172)
5,026,883	520,536	4,506,348	Water	7,048,110	26,462,172	(19,414,062)	(18,111,874)
70,452,939	**58,733,122**	**11,719,817**	**TOTAL**	**108,966,298**	**82,431,800**	**26,534,498**	**4,489,726**
		252,679	Appropriation For the Year (refer note 13)			7,427,425	
		11,972,496	Net surplus/ (deficit for the year			33,961,923	
		14,303,851	Unappropriated Surplus/(Deficit) at the beginning of the year			26,276,347	
		26,276,347	**Accumulated surplus / (deficit) end of the year**			60,238,269	

THEMBISILE LOCAL MUNICIPALITY

APPENDIX F
(STATISTICAL INFORMATION)

	General statistics		2006/07
1)	Population		258875
2)	Surface area in hectares		-
3)	Valuation of "taxable" and "non-taxable" properties, including the valuation date(2/1/99)		-
4)	Valuation of residential and commercial properties (stands)		-
5)	Valuation of industrial, agricultural and other properties		-
6)	Total residential and commercial properties (stands)		58207
7)	Total industrial, agricultural and other properties (stands)		-
8)	Property tax rate: Cent in Rand (Nett)	Site Value	
	Property tax rate: Cent in Rand (Nett)	Improvement	-
9)	Number of employees at local authority		188
10)	Number of Councillors		60
11)	Free Basic Electricity		21000